

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 338*
Committee Substitute Favorable 4/24/01
Third Edition Engrossed 4/25/01

Short Title: Technical Corrections Act.

(Public)

Sponsors:

Referred to:

March 1, 2001

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE TECHNICAL CORRECTIONS AND CONFORMING
3 CHANGES TO THE GENERAL STATUTES AS RECOMMENDED BY THE
4 GENERAL STATUTES COMMISSION.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. Effective July 1, 2001, G.S. 23-30.1 reads as rewritten:

7 "§ 23-30.1. Provisional release.

8 Every person who has filed a petition under the provisions of G.S. 23-30 shall be
9 brought before a judge within 72 hours after filing the petition and shall be provisionally
10 released from imprisonment unless a hearing shall be held and the creditor shall
11 establish that the prisoner has fraudulently concealed assets. If, at the time he is brought
12 before a judge, the prisoner makes a showing of indigency, counsel shall be appointed
13 for the prisoner in accordance with rules adopted by the Office of Indigent Defense
14 Services. A provisional release under this section shall not constitute a discharge of the
15 debtor, and the creditor may oppose the discharge by suggesting fraud even if he has
16 unsuccessfully attempted to oppose the provisional release on the basis of fraudulent
17 concealment. The debtor may be provisionally released even though actual service upon
18 the creditor has not been accomplished if 72 hours has passed since the debtor delivered
19 the notice to the sheriff for service upon the creditor."

20 SECTION 2.(a) G.S. 120-123(57) reads as rewritten:

21 "No member of the General Assembly may serve on any of the following boards or
22 commissions:

23 ...

24 (57) The Information Resource Management Commission, as established
25 by ~~G.S. 143B-426.21~~G.S. 147-33.78.

26"

27 SECTION 2.(b) G.S. 126-5(c1)(17) reads as rewritten:

1 "(c1) Except as to the provisions of Articles 6 and 7 of this Chapter, the provisions
2 of this Chapter shall not apply to:

3 ...

4 (17) The executive director of the independent staff of the Information
5 Resources Management Commission established under ~~G.S. 143B-~~
6 ~~472.41A;~~G.S. 147-33.78.

7 "

8 **SECTION 2.(c)** G.S. 143-52.1 reads as rewritten:

9 "**§ 143-52.1. Board of Awards.**

10 (a) There is created the Board of Awards. The Board shall consist of three
11 members at a time, appointed by the Chair of the Commission. Members of the Board
12 shall be appointed on a rotating basis from the membership of the Commission and the
13 Council of State. Two out of three members appointed for each meeting of the Board
14 shall constitute a quorum of the Board.

15 (b) The Board shall meet weekly as called by the Chair of the Commission,
16 except in weeks when no contracts have been submitted to the Board for review.

17 (c) When the dollar value of a contract exceeds the benchmark established either
18 pursuant to G.S. 143-53.1 or ~~G.S. 143B-472.63,~~G.S. 147-33.101, the Board shall review
19 and make a recommendation on action to be taken by the Secretary of Administration
20 on contracts to be awarded under Article 3 of Chapter 143 of the General Statutes and
21 on contracts to be awarded by the ~~Secretary of Commerce~~ Chief Information Officer
22 ~~under Part 16 of Article 10 of Chapter 143B~~ Article 3D of Chapter 147 of the General
23 Statutes, prior to the awarding of the contract.

24 (d) The State Budget Officer shall designate a secretary for the Board. The
25 ~~Secretaries~~ Secretary of Administration and ~~Commerce~~ the State Chief Information
26 Officer shall each submit their matters for consideration to the secretary for inclusion on
27 the Board's agenda. Records shall be kept of each meeting and made public by the
28 ~~applicable~~ Secretary of Administration or Commerce State Chief Information Officer,
29 as applicable unless the ~~applicable~~ Secretary of Administration or State Chief
30 Information Officer, as applicable, determines a specific record of the meeting needs to
31 be confidential due to the nature of the contract. The ~~applicable~~ Secretary of
32 Administration or State Chief Information Officer, as applicable, may elect to proceed
33 with the award of a contract without a recommendation of the Board in cases of
34 emergencies or in the event that a Board is not available. In those cases, contracts
35 awarded without Board review shall be reported to the next meeting of the Board as a
36 matter of record.

37 (e) Reports on recommendations made by the Board on matters presented by the
38 ~~Secretary of Commerce~~ State Chief Information Officer to the Board shall be reported
39 monthly by the Board to the chairs of the Joint Select Committee on Information
40 Technology."

41 **SECTION 2.(d)** G.S. 143-56 reads as rewritten:

42 "**§ 143-56. Certain purchases excepted from provisions of Article.**

1 Unless as may otherwise be ordered by the Secretary of Administration, the
2 purchase of supplies, materials and equipment through the Secretary of Administration
3 shall be mandatory in the following cases:

4 (1) Published books, manuscripts, maps, pamphlets and periodicals.

5 (2) Perishable articles such as fresh vegetables, fresh fish, fresh meat,
6 eggs, and others as may be classified by the Secretary of
7 Administration.

8 Purchase through the Secretary of Administration shall not be mandatory for
9 information technology purchased in accordance with ~~Part 16 of Article 10 of Chapter~~
10 ~~143B Article 3D of Chapter 147~~ of the General Statutes, for a purchase of supplies,
11 materials or equipment for the General Assembly if the total expenditures is less than
12 the expenditure benchmark established under the provisions of G.S. 143-53.1, for group
13 purchases made by hospitals through a competitive bidding purchasing program, as
14 defined in G.S. 143-129, by the University of North Carolina Health Care System
15 pursuant to G.S. 116-37(h), by the University of North Carolina Hospitals at Chapel Hill
16 pursuant to G.S. 116-37(a)(4), by the University of North Carolina at Chapel Hill on
17 behalf of the clinical patient care programs of the School of Medicine of the University
18 of North Carolina at Chapel Hill pursuant to G.S. 116-37(a)(4), or by East Carolina
19 University on behalf of the Medical Faculty Practice Plan pursuant to G.S. 116-40.6(c).

20 All purchases of the above articles made directly by the departments, institutions and
21 agencies of the State government shall, whenever possible, be based on competitive
22 bids. Whenever an order is placed or contract awarded for such articles by any of the
23 departments, institutions and agencies of the State government, a copy of such order or
24 contract shall be forwarded to the Secretary of Administration and a record of the
25 competitive bids upon which it was based shall be retained for inspection and review."

26 **SECTION 2.(e)** G.S. 150B-21.1(a4) reads as rewritten:

27 "(a4) Notwithstanding the provisions of subsection (a) of this section, the ~~Secretary~~
28 ~~of Commerce~~ State Chief Information Officer may adopt temporary rules to implement
29 the information technology procurement provisions of ~~Part 16 of Article 10 of Chapter~~
30 ~~143B Article 3D of Chapter 147~~ of the General Statutes. After having the proposed
31 temporary rule published in the North Carolina Register and at least 30 days prior to
32 adopting a temporary rule pursuant to this subsection, the ~~Secretary-Officer~~ shall:

33 (1) Notify persons on its mailing list maintained pursuant to G.S.
34 150B-21.2(d) and any other interested parties of its intent to adopt a
35 temporary rule;

36 (2) Accept oral and written comments on the proposed temporary rule;
37 and

38 (3) Hold at least one public hearing on the proposed temporary rule.

39 When the ~~Secretary-Officer~~ adopts a temporary rule pursuant to this subsection, the
40 ~~Secretary-Officer~~ must submit a reference to this subsection as the ~~Secretary's~~Officer's
41 statement of need to the Codifier of Rules.

1 Notwithstanding any other provision of this Chapter, the Codifer of Rules shall
2 publish in the North Carolina Register a proposed temporary rule received from the
3 ~~Secretary Officer~~ in accordance with this subsection."

4 **SECTION 2.(f)** G.S. 150B-38(a) reads as rewritten:

5 "(a) The provisions of this Article shall ~~apply to the following agencies:~~apply to:

- 6 (1) Occupational licensing agencies;
7 (2) The State Banking Commission, the Commissioner of Banks, the
8 Savings Institutions Division of the Department of Commerce, and the
9 Credit Union Division of the Department of Commerce; and
10 (3) The Department of Insurance and the Commissioner of Insurance.
11 (4) ~~The Department of Commeree~~State Chief Information Officer in the
12 administration of the provisions of ~~Part 16 of Article 10 of Chapter~~
13 ~~143B~~Article 3D of Chapter 147 of the General Statutes."

14 **SECTION 3.(a)** G.S. 24-1.1E(a)(4) and (a)(6) read as rewritten:

15 "(a) Definitions. – The following definitions apply for the purposes of this section:

16 ...

- 17 (4) A "high-cost home loan" means a loan other than an open-end credit
18 plan or a reverse mortgage transaction in which:
19 a. The principal amount of the loan does not exceed the lesser of
20 (i) the conforming loan size limit for a single-family dwelling
21 as established from time to time by ~~the Federal National~~
22 ~~Mortgage Association, Fannie Mae,~~ or (ii) three hundred
23 thousand dollars (\$300,000);
24 b. The borrower is a natural person;
25 c. The debt is incurred by the borrower primarily for personal,
26 family, or household purposes;
27 d. The loan is secured by either (i) a security interest in a
28 manufactured home (as defined in G.S. 143-147(7)) which is or
29 will be occupied by the borrower as the borrower's principal
30 dwelling, or (ii) a mortgage or deed of trust on real estate upon
31 which there is located or there is to be located a structure or
32 structures designed principally for occupancy of from one to
33 four families which is or will be occupied by the borrower as
34 the borrower's principal dwelling; and
35 e. The terms of the loan exceed one or more of the thresholds as
36 defined in subdivision (6) of this section.

37 ...

38 (6) "Thresholds" means:

- 39 a. Without regard to whether the loan transaction is or may be a
40 "residential mortgage transaction" (as the term "residential
41 mortgage transaction" is defined in section 226.2(a)(24) of Title
42 12 of the Code of Federal Regulations, as amended from time to
43 time), the annual percentage rate of the loan at the time the loan

1 is consummated is such that the loan is considered a "mortgage"
2 under section 152 of the Home Ownership and Equity
3 Protection Act of 1994 (Pub. Law 103-25, [15 U.S.C. §
4 1602(aa)]), as the same may be amended from time to time, and
5 regulations adopted pursuant thereto by the Federal Reserve
6 Board, including section 226.32 of Title 12 of the Code of
7 Federal Regulations, as the same may be amended from time to
8 time;

9 b. The total points and fees payable by the borrower at or before
10 the loan closing exceed five percent (5%) of the total loan
11 amount if the total loan amount is twenty thousand dollars
12 (\$20,000) or more, or (ii) the lesser of eight percent (8%) of the
13 total loan amount or one thousand dollars (\$1,000), if the total
14 loan amount is less than twenty thousand dollars (\$20,000);
15 provided, the following discount points and prepayment fees
16 and penalties shall be excluded from the calculation of the total
17 points and fees payable by the borrower:

- 18 1. Up to and including two bona fide loan discount points
19 payable by the borrower in connection with the loan
20 transaction, but only if the interest rate from which the
21 loan's interest rate will be discounted does not exceed by
22 more than one percentage point (1%) the required net
23 yield for a 90-day standard mandatory delivery
24 commitment for a reasonably comparable loan from
25 either ~~the Federal National Mortgage Association~~ Fannie
26 Mae or the Federal Home Loan Mortgage Corporation,
27 whichever is greater;
- 28 2. Up to and including one bona fide loan discount point
29 payable by the borrower in connection with the loan
30 transaction, but only if the interest rate from which the
31 loan's interest rate will be discounted does not exceed by
32 more than two percentage points (2%) the required net
33 yield for a 90-day standard mandatory delivery
34 commitment for a reasonably comparable loan from
35 either ~~the Federal National Mortgage Association~~ Fannie
36 Mae or the Federal Home Loan Mortgage Corporation,
37 whichever is greater;
- 38 3. Prepayment fees and penalties which may be charged or
39 collected under the terms of the loan documents which
40 do not exceed one percent (1%) of the amount prepaid,
41 provided the loan documents do not permit the lender to
42 charge or collect any prepayment fees or penalties more
43 than 30 months after the loan closing; or".

1 **SECTION 3.(b)** G.S. 53-270.1(a)(3) reads as rewritten:

2 "(a) A lender and a borrower may agree, in writing, that in addition to the
3 principal and any interest accruing on the outstanding balance of a reverse mortgage
4 loan, the lender may receive:

5

...
6

(3) The shared appreciation or shared value is paid in conjunction with a
7 loan that:

8

a. Is outstanding for 24 months or longer; and

9

b. Either (i) is guaranteed or insured by an agency of the federal
10 government, or (ii) has been originated under a reverse
11 mortgage program approved by ~~the Federal National Mortgage~~
12 ~~Association, Fannie Mae,~~ the Government National Mortgage
13 Association, or the Federal Home Loan Mortgage Corporation,
14 provided the loan is sold to one of those agencies or enterprises
15 within 90 days of loan closing, or (iii) has been originated under
16 a reverse mortgage program of a person, firm, or corporation
17 approved as an authorized lender by the Commissioner; and

18

c. Provides that the borrower receives additional economic benefit
19 in exchange for paying the shared appreciation or shared value,
20 including, but not limited to, larger monthly payments or a
21 larger line of credit. The specific nature of the economic benefit
22 shall be provided to the Commissioner with the other
23 information about the reverse mortgage program required under
24 G.S. 53-264 for dissemination to the reverse mortgage
25 counselors; and

26

d. At least 14 days prior to closing, the borrower receives a
27 disclosure that explains the additional costs and benefits of
28 shared appreciation or shared value and compares those costs
29 and benefits with a comparable loan without shared
30 appreciation or shared value. These costs and benefits shall also
31 be included in the information required under G.S. 53-264."

32

SECTION 3.(c) G.S. 54-109.88(3) reads as rewritten:

33

"(3) Assets which are issued by, fully guaranteed as to principal and
34 interest by, or due from the U.S. government, its agencies, ~~the Federal~~
35 ~~National Mortgage Association, Fannie Mae,~~ or the Government
36 National Mortgage Association."

37

SECTION 3.(d) G.S. 54B-187 reads as rewritten:

38

"§ 54B-187. ~~Federal National Mortgage Association Fannie Mae obligations.~~

39

A State association may invest in stock or other evidences of indebtedness or
40 obligations of the ~~Federal National Mortgage Association, Fannie Mae,~~ or any successor
41 thereto."

42

SECTION 3.(e) G.S. 54C-136 reads as rewritten:

43

"§ 54C-136. Federal government-sponsored enterprise obligations.

1 A savings bank may invest in stock or other evidences of indebtedness or obligations
2 of ~~the Federal National Mortgage Association, Fannie Mae,~~ the Federal Home Loan
3 Mortgage Corporation, or any other federal government sponsored enterprise, or any
4 successor thereto."

5 **SECTION 3.(f)** G.S. 58-3-140 reads as rewritten:

6 "**§ 58-3-140. Temporary contracts of insurance permitted.**

7 A lender engaged in making or servicing real estate mortgage or deed of trust loans
8 on one to four family residences shall accept as evidence of insurance a temporary
9 written contract of insurance meeting the requirements of G.S. 58-44-20(4) and issued
10 by any duly licensed insurance agent, broker, or insurance company.

11 Nothing herein prohibits the lender from refusing to accept a binder or from
12 disapproving such insurer or agent provided such refusal or disapproval is reasonable.

13 Such lender need not accept a binder unless such binder:

14 (1) Includes:

- 15 a. The name and address of the insured;
- 16 b. The name and address of the mortgagee;
- 17 c. A description of the insured collateral;
- 18 d. A provision that it may not be cancelled within a term of the
19 binder except upon 10 days' written notice to the mortgagee;
20 and
- 21 e. The amount of insurance bound.

22 (2) Is accompanied by a paid receipt for one year's premium, except in the
23 case of the renewal of a policy subsequent to the closing of a loan; and

24 (3) Includes an undertaking of agent to use his best efforts to have the
25 insurance company issue a policy.

26 The Department may require binders to contain any additional information to permit
27 the binders to comply with the reasonable requirements of ~~the Federal National~~
28 ~~Mortgage Association, Fannie Mae,~~ Government National Mortgage Association, or
29 Federal Home Loan Mortgage Corporation for purchase of mortgage loans."

30 **SECTION 3.(g)** G.S. 58-7-173(8) reads as rewritten:

31 "(8) Bonds, debentures, or other securities of the following agencies,
32 whether or not those obligations are guaranteed by the U.S.
33 Government:

- 34 a. ~~The Federal National Mortgage Association, Fannie Mae,~~ and
35 stock thereof when acquired in connection with the sale of
36 mortgage loans to the Association.
- 37 b. Any federal land bank, when the securities are issued under the
38 Farm Loan Act;
- 39 c. Any federal home loan bank, when the securities are issued
40 under the Home Loan Bank Act;
- 41 d. The Home Owners' Loan Corporation, created by the Home
42 Owners' Loan Act of 1933;

- 1 e. Any federal intermediate credit bank, created by the
2 Agricultural Credits Act;
3 f. The Central Bank for Cooperatives and regional banks for
4 cooperatives organized under the Farm Credit Act of 1933, or
5 by any of such banks; and any notes, bonds, debentures, or
6 other similar obligations, consolidated or otherwise, issued by
7 farm credit institutions under the Farm Credit Act of 1971;
8 g. Any other similar agency of the U.S. Government that is of
9 similar financial quality."

10 **SECTION 3.(h)** G.S. 115C-443(c)(6) reads as rewritten:

11 "(c) Moneys may be invested in the following classes of securities, and no others:

12 ...

- 13 (6) Obligations maturing no later than 18 months after the date of
14 purchase of the Federal Intermediate Credit Banks, the Federal Home
15 Loan Banks, ~~the Federal National Mortgage Association, Fannie Mae,~~
16 the Banks for Cooperatives, and the Federal Land Banks."

17 **SECTION 3.(i)** G.S. 122A-5.6(d) reads as rewritten:

18 "(d) The loans to mortgage lenders shall be general obligations of the respective
19 mortgage lenders owing them. The Agency shall require that such loans shall be
20 additionally secured as to payment of both principal and interest by a pledge and lien
21 upon collateral security. The collateral security itself shall be in such amount as the
22 Agency determines will assure the payment of the principal of and the interest on the
23 bonds as they become due. Collateral security shall be deemed to be sufficient if the
24 principal of and the interest on the collateral security, when due, will be sufficient to
25 pay the principal of and the interest on the bonds. The collateral security shall consist of
26 any of the following items: (i) direct obligations of, or obligations guaranteed by, the
27 State or the United States of America; (ii) bonds, debentures, notes or other evidences of
28 indebtedness, satisfactory to the Agency, issued by any of the following federal
29 agencies: Bank for Cooperatives, Federal Intermediate Credit Bank, Federal Home Loan
30 Bank System, Export-Import Bank of Washington, Federal Land Banks, ~~the Federal~~
31 ~~National Mortgage Association~~ ~~Fannie Mae~~ or the Government National Mortgage
32 Association; (iii) direct obligations of or obligations guaranteed by the State; (iv)
33 mortgages insured or guaranteed by the United States of America or an instrumentality
34 of it as to payment of principal and interest; (v) any other mortgages secured by real
35 estate on which there is located a residential structure, the collateral value of which shall
36 be determined by the regulations issued from time to time by the Agency; (vi)
37 obligations of Federal Home Loan Banks; (vii) certificates of deposit of banks or trust
38 companies, including the trustee, organized under the laws of the United States or any
39 state, which have a combined capital and surplus of at least fifteen million dollars
40 (\$15,000,000); (viii) Bankers Acceptances; and (ix) commercial paper that has been
41 classified for rating purposes by Dun & Bradstreet, Inc., as Prime-1 or by Standard &
42 Poor's Corp. as A-1."

43 **SECTION 3.(j)** G.S. 122A-11(3) and (4) read as rewritten:

1 "(3) In obligations which are collateralized by mortgage pass-through
2 securities guaranteed by the Government National Mortgage
3 Association, the Federal Home Loan Mortgage Corporation, or ~~the~~
4 ~~Federal National Mortgage Association;~~Fannie Mae;

5 (4) In a trust certificate or similar instrument evidencing an equity
6 investment in a trust or other similar arrangement which is formed for
7 the purpose of issuing obligations which are collateralized by
8 mortgage pass-through or participation certificates guaranteed by the
9 Government National Mortgage Association, the Federal Home Loan
10 Mortgage Corporation or ~~the Federal National Mortgage Association;~~
11 Fannie Mae; and".

12 **SECTION 3.(k)** G.S. 122D-16(b)(2) reads as rewritten:

13 "(b) All moneys of the Authority may be invested in the following:

- 14 ...
- 15 (2) Non-convertible debt securities of the following issuers:
- 16 a. The Federal Home Loan Bank Board;
- 17 b. ~~The Federal National Mortgage Association;~~Fannie Mae;
- 18 c. The Federal Farm Credit Bank; and
- 19 d. The Student Loan Marketing Association;".

20 **SECTION 3.(l)** G.S. 143B-472.8(7) reads as rewritten:

21 "(7) Obligations of the Federal Intermediate Credit Banks, the Federal
22 Home Loan Banks, ~~the Federal National Mortgage Association,~~Fannie
23 Mae, the Banks for Cooperatives, and the Federal Land Banks,
24 maturing no later than 18 months after the date of purchase."

25 **SECTION 3.(m)** G.S. 147-69.1(c)(2) reads as rewritten:

26 "(c) It shall be the duty of the State Treasurer to invest the cash of the funds
27 enumerated in subsection (b) of this section in excess of the amount required to meet the
28 current needs and demands on such funds, selecting from among the following:

- 29 ...
- 30 (2) Obligations of the Federal Financing Bank, the Federal Farm Credit
31 Bank, the Bank for Cooperatives, the Federal Intermediate Credit
32 Bank, the Federal Land Banks, the Federal Home Loan Banks, the
33 Federal Home Loan Mortgage Corporation, ~~the Federal National~~
34 ~~Mortgage Association,~~Fannie Mae, the Government National
35 Mortgage Association, the Federal Housing Administration, the
36 Farmers Home Administration, the United States Postal Service, the
37 Export-Import Bank, the International Bank for Reconstruction and
38 Development, the International Finance Corporation, the
39 Inter-American Development Bank, the Asian Development Bank, the
40 African Development Bank, and the Student Loan Marketing
41 Association."

42 **SECTION 3.(n)** G.S. 159B-18(b) reads as rewritten:

1 "(b) Any moneys received pursuant to the authority of this Chapter and any other
2 moneys available to a joint agency for investment may be invested:

3 (1) As provided in subsection (a) of this section;

4 (2) As provided in G.S. 159-30, except that:

5 a. A joint agency may also invest, in addition to the obligations
6 enumerated in G.S. 159-30(c)(2), in bonds, debentures, notes,
7 participation certificates, or other evidences of indebtedness
8 issued, or the principal of and the interest on which are
9 unconditionally guaranteed, whether directly or indirectly, by
10 any agency or instrumentality of, or corporation wholly owned
11 by, the United States of America.

12 b. For purposes of G.S. 159-30(c)(12), a joint agency may also
13 enter into repurchase agreements with respect to, in addition to
14 the obligations enumerated in G.S. 159-30(c)(12):

15 1. Obligations of the Federal Financing Bank, the Federal
16 Farm Credit Bank, the Bank for Cooperatives, the
17 Federal Intermediate Credit Bank, the Federal Land
18 Banks, the Federal Home Loan Banks, the Federal Home
19 Loan Mortgage Corporation, ~~the Federal National~~
20 ~~Mortgage Association, Fannie Mae,~~ the Government
21 National Mortgage Association, the Federal Housing
22 Administration, the Farmers Home Administration, and
23 the United States Postal Service;

24 2. Bonds, debentures, notes, participation certificates, or
25 other evidences of indebtedness issued, or the principal
26 of and the interest on which are unconditionally
27 guaranteed, whether directly or indirectly, by any agency
28 or instrumentality of, or corporation wholly owned by,
29 the United States of America;

30 3. Mortgage-backed pass-through securities guaranteed by
31 the Government National Mortgage Association, the
32 Federal Home Loan Mortgage Corporation, or ~~the~~
33 ~~Federal National Mortgage Association, Fannie Mae;~~

34 4. Direct or indirect obligations which are collateralized by
35 or represent beneficial ownership interests in
36 mortgage-backed pass-through securities guaranteed by
37 the Government National Mortgage Association, the
38 Federal Home Loan Mortgage Corporation, ~~or the~~
39 ~~Federal National Mortgage Association, Fannie Mae;~~
40 and

41 5. Direct or indirect obligations, trust certificates, or other
42 similar instruments which are both: (i) guaranteed by the
43 Government National Mortgage Association, the Federal

1 Home Loan Mortgage Corporation, or ~~the Federal~~
 2 ~~National Mortgage Association; Fannie Mae;~~ (ii)
 3 collateralized by or represent beneficial ownership
 4 interests in mortgage-backed pass-through securities
 5 which are guaranteed by the Government National
 6 Mortgage Association, the Federal Home Loan Mortgage
 7 Corporation, or ~~the Federal National Mortgage~~
 8 ~~Association; Fannie Mae;~~ including, but not limited to,
 9 Real Estate Mortgage Investment Conduit Certificates;
 10 and (iii) for purposes of the second proviso of G.S.
 11 159-30(c)(12)a., the financial institution serving either as
 12 trustee or as fiscal agent for a joint agency holding the
 13 obligations subject to the repurchase agreement may also
 14 be the provider of the repurchase agreement if the
 15 obligations that are subject to the repurchase agreement
 16 are held in trust by the trustee or fiscal agent for the
 17 benefit of the joint agency;

18 (3) In mortgage-backed pass-through securities guaranteed by the
 19 Government National Mortgage Association, the Federal Home Loan
 20 Mortgage Corporation, or ~~the Federal National Mortgage~~
 21 ~~Association; Fannie Mae;~~

22 (4) In direct or indirect obligations which are collateralized by or represent
 23 beneficial ownership interests in mortgage-backed pass-through
 24 securities guaranteed by the Government National Mortgage
 25 Association, the Federal Home Loan Mortgage Corporation, or ~~the~~
 26 ~~Federal National Mortgage Association; Fannie Mae;~~ and

27 (5) In direct or indirect obligations, trust certificates, or other similar
 28 instruments which are (i) guaranteed by the Government National
 29 Mortgage Association, the Federal Home Loan Mortgage Corporation,
 30 or ~~the Federal National Mortgage Association; Fannie Mae,~~ and (ii)
 31 collateralized by or represent beneficial ownership interests in
 32 mortgage-backed pass-through securities which are guaranteed by the
 33 Government National Mortgage Association, the Federal Home Loan
 34 Mortgage Corporation, or ~~the Federal National Mortgage~~
 35 ~~Association; Fannie Mae,~~ including, but not limited to, Real Estate
 36 Mortgage Investment Conduit Certificates."

37 **SECTION 3.(o)** G.S. 159-30(c)(2) reads as rewritten:

38 "(c) Moneys may be invested in the following classes of securities, and no others:

39 ...
 40 (2) Obligations of the Federal Financing Bank, the Federal Farm Credit
 41 Bank, the Bank for Cooperatives, the Federal Intermediate Credit
 42 Bank, the Federal Land Banks, the Federal Home Loan Banks, the
 43 Federal Home Loan Mortgage Corporation, ~~the Federal National~~

1 Mortgage Association, Fannie Mae, the Government National
2 Mortgage Association, the Federal Housing Administration, the
3 Farmers Home Administration, the United States Postal Service."

4 **SECTION 4.** G.S. 1-17 reads as rewritten:

5 "**§ 1-17. Disabilities.**

6 (a) A person entitled to commence an action who is under a disability at the time
7 the cause of action accrued ~~either~~

8 (1) ~~Within the age of 18 years; or~~

9 (2) ~~Insane; or~~

10 (3) ~~Incompetent as defined in G.S. 35A-1101(7) or (8)~~

11 may bring his or her action within the time ~~herein limited~~, limited in this Subchapter,
12 after the disability is removed, except in an action for the recovery of real property, or to
13 make an entry or defense founded on the title to real property, or to rents and services
14 out of the same, ~~when he real property, when the person~~ must commence his or her
15 action, or make ~~his~~ the entry, within three years next after the removal of the disability,
16 and at no time thereafter.

17 For the purpose of this section, a person is under a disability if the person meets one
18 or more of the following conditions:

19 (1) The person is within the age of 18 years.

20 (2) The person is insane.

21 (3) The person is incompetent as defined in G.S. 35A-1101(7) or (8).

22 (a1) For those persons under a disability on January 1, 1976, as a result of being
23 imprisoned on a criminal charge, or in execution under sentence for a criminal offense,
24 the statute of limitations shall commence to run and no longer be tolled from January 1,
25 1976.

26 (b) Notwithstanding the provisions of subsection (a) of this section, an action on
27 behalf of a minor for malpractice arising out of the performance of or failure to perform
28 professional services shall be commenced within the limitations of time specified in
29 ~~G.S. 1-15(c): Provided, that if said G.S. 1-15(c),~~ except that if those time limitations
30 expire before such the minor attains the full age of 19 years, the action may be brought
31 before ~~said~~ the minor attains the full age of 19 years."

32 **SECTION 5.** G.S. 7B-507(b)(4) reads as rewritten:

33 "(4) A court of competent jurisdiction has determined that: the parent has
34 committed murder or voluntary manslaughter of another child of the
35 parent; has aided, abetted, attempted, conspired, or solicited to commit
36 murder or ~~voluntarily~~ voluntary manslaughter of the child or another
37 child of the parent; or has committed a felony assault resulting in
38 serious bodily injury to the child or another child of the parent."

39 **SECTION 6.** G.S. 7B-1501 reads as rewritten:

40 "**§ 7B-1501. Definitions.**

41 In this Subchapter, unless the context clearly requires otherwise, the following
42 words have the listed ~~meanings;~~ meanings. The singular includes the plural, unless
43 otherwise specified.

- 1 (1) Chief court counselor. – The person responsible for administration and
2 supervision of juvenile intake, probation, and post-release supervision
3 in each judicial district, operating under the supervision of the
4 Department of Juvenile Justice and Delinquency Prevention.
- 5 (2) Clerk. – Any clerk of superior court, acting clerk, or assistant or
6 deputy clerk.
- 7 (3) Community-based program. – A program providing nonresidential or
8 residential treatment to a juvenile under the jurisdiction of the juvenile
9 court in the community where the juvenile's family lives. A
10 community-based program may include specialized foster care, family
11 counseling, shelter care, and other appropriate treatment.
- 12 (4) Court. – The district court division of the General Court of Justice.
- 13 (5) Court counselor. – A person responsible for probation and post-release
14 supervision to juveniles under the supervision of the chief court
15 counselor.
- 16 (6) Custodian. – The person or agency that has been awarded legal
17 custody of a juvenile by a court.
- 18 (7) Delinquent juvenile. – Any juvenile who, while less than 16 years of
19 age but at least 6 years of age, commits a crime or infraction under
20 State law or under an ordinance of local government, including
21 violation of the motor vehicle laws.
- 22 (7a) Department. – The Department of Juvenile Justice and Delinquency
23 Prevention created under Article 12 of Chapter 143B of the General
24 Statutes.
- 25 (8) Detention. – The secure confinement of a juvenile under a court order.
- 26 (9) Detention facility. – A facility approved to provide secure confinement
27 and care for juveniles. Detention facilities include both State and
28 locally administered detention homes, centers, and facilities.
- 29 (10) District. – Any district court district as established by G.S. 7A-133.
- 30 (11) Holdover facility. – A place in a jail which has been approved by the
31 Department of Health and Human Services as meeting the State
32 standards for detention as required in G.S. 153A-221 providing close
33 supervision where the juvenile cannot converse with, see, or be seen
34 by the adult population.
- 35 (12) House arrest. – A requirement that the juvenile remain at the juvenile's
36 residence unless the court or the juvenile court counselor authorizes
37 the juvenile to leave for specific purposes.
- 38 (13) Intake counselor. – A person who screens and evaluates a complaint
39 alleging that a juvenile is delinquent or undisciplined to determine
40 whether the complaint should be filed as a petition.
- 41 (14) Interstate Compact on Juveniles. – An agreement ratified by 50 states
42 and the District of Columbia providing a formal means of returning a

- 1 juvenile, who is an absconder, escapee, or runaway, to the juvenile's
2 home state, and codified in Article 28 of this Chapter.
- 3 (15) Judge. – Any district court judge.
- 4 (16) Judicial district. – Any district court district as established by G.S.
5 7A-133.
- 6 (17) Juvenile. – Except as provided in subdivisions (7) and (27) of this
7 section, any person who has not reached the person's eighteenth
8 birthday and is not married, emancipated, or a member of the armed
9 forces of the United States. Wherever the term "juvenile" is used with
10 reference to rights and privileges, that term encompasses the attorney
11 for the juvenile as well.
- 12 (18) Juvenile court. – Any district court exercising jurisdiction under this
13 Chapter.
- 14 (19) Repealed by Session Laws 2000, c. 137, s. 2.
- 15 (20) Petitioner. – The individual who initiates court action by the filing of a
16 petition or a motion for review alleging the matter for adjudication.
- 17 (21) Post-release supervision. – The supervision of a juvenile who has been
18 returned to the community after having been committed to the
19 Department for placement in a training school.
- 20 (22) Probation. – The status of a juvenile who has been adjudicated
21 delinquent, is subject to specified conditions under the supervision of a
22 court counselor, and may be returned to the court for violation of those
23 conditions during the period of probation.
- 24 (23) Prosecutor. – The district attorney or assistant district attorney
25 assigned by the district attorney to juvenile proceedings.
- 26 (24) Protective supervision. – The status of a juvenile who has been
27 adjudicated undisciplined and is under the supervision of a court
28 counselor.
- 29 (25) Teen court program. – A community resource for the diversion of
30 cases in which a juvenile has allegedly committed certain offenses for
31 hearing by a jury of the juvenile's peers, which may assign the juvenile
32 to counseling, restitution, curfews, community service, or other
33 rehabilitative measures.
- 34 (26) Training school. – A secure residential facility authorized to provide
35 long-term treatment, education, and rehabilitative services for
36 delinquent juveniles committed by the court to the Department.
- 37 (27) Undisciplined juvenile. –
38 a. A juvenile who, while less than 16 years of age but at least 6
39 years of age, is unlawfully absent from school; or is regularly
40 disobedient to and beyond the disciplinary control of the
41 juvenile's parent, guardian, or custodian; or is regularly found in
42 places where it is unlawful for a juvenile to be; or has run away
43 from home for a period of more than 24 hours; or

1 b. A juvenile who is 16 or 17 years of age and who is regularly
2 disobedient to and beyond the disciplinary control of the
3 juvenile's parent, guardian, or custodian; or is regularly found in
4 places where it is unlawful for a juvenile to be; or has run away
5 from home for a period of more than 24 hours.

6 (28) Wilderness program. – A rehabilitative residential treatment program
7 in a rural or outdoor setting.

8 ~~The singular includes the plural, unless otherwise specified."~~

9 **SECTION 7.** Effective July 1, 2001, G.S. 7B-1808(b)(2) reads as rewritten:

10 "(b) At the first appearance, the court shall:

11 ...

12 (2) Determine whether the juvenile has retained counsel or has been
13 assigned ~~counsel~~counsel;"

14 **SECTION 8.** Effective June 30, 2001, G.S. 17C-3(a)(5) reads as rewritten:

15 "(5) Citizens and Others. – The President of The University of North
16 Carolina; the Director of the Institute of Government; and two citizens,
17 one of whom shall be selected by the Governor and one of whom shall
18 be selected by the Attorney General. The General Assembly shall
19 appoint two persons, one upon the recommendation of the Speaker of
20 the House of Representatives and one upon the recommendation of the
21 President Pro Tempore of the Senate. Appointments by the General
22 Assembly shall be made in accordance with G.S. 120-122.
23 Appointments by the General Assembly shall ~~serve~~be for two-year
24 terms to conclude on June 30th in odd-numbered years."

25 **SECTION 9.** G.S. 20-16.5(a)(4) reads as rewritten:

26 "(a) Definitions. – As used in this section the following words and phrases have
27 the following meanings:

28 ...

29 (4) Revocation Report. – A sworn statement by a charging officer and a
30 chemical analyst containing facts indicating that the conditions of
31 subsection (b) have been met, and whether the person has a pending
32 offense for which ~~their~~the person's license had been or is revoked
33 under this section. When one chemical analyst analyzes a person's
34 blood and another chemical analyst informs a person of his rights and
35 responsibilities under G.S. 20-16.2, the report must include the
36 statements of both analysts."

37 **SECTION 10.** G.S. 20-16.5(g) reads as rewritten:

38 "(g) Hearing before Magistrate or Judge if Person Contests Validity of
39 Revocation. – A person whose license is revoked under this section may request in
40 writing a hearing to contest the validity of the revocation. The request may be made at
41 the time of the person's initial appearance, or within 10 days of the effective date of the
42 revocation to the clerk or a magistrate designated by the clerk, and may specifically
43 request that the hearing be conducted by a district court judge. The Administrative

1 Office of the Courts must develop a hearing request form for any person requesting a
2 hearing. Unless a district court judge is requested, the hearing must be conducted within
3 the county by a magistrate assigned by the chief district court judge to conduct such
4 hearings. If the person requests that a district court judge hold the hearing, the hearing
5 must be conducted within the district court district as defined in G.S. 7A-133 by a
6 district court judge assigned to conduct such hearings. The revocation remains in effect
7 pending the hearing, but the hearing must be held within three working days following
8 the request if the hearing is before a magistrate or within five working days if the
9 hearing is before a district court judge. The request for the hearing must specify the
10 grounds upon which the validity of the revocation is challenged and the hearing must be
11 limited to the grounds specified in the request. A witness may submit his evidence by
12 affidavit unless he is subpoenaed to appear. Any person who appears and testifies is
13 subject to questioning by the judicial official conducting the hearing, and the judicial
14 official may adjourn the hearing to seek additional evidence if he is not satisfied with
15 the accuracy or completeness of evidence. The person contesting the validity of the
16 revocation may, but is not required to, testify in his own behalf. Unless contested by the
17 person requesting the hearing, the judicial official may accept as true any matter stated
18 in the revocation report. If any relevant condition under subsection (b) is contested, the
19 judicial official must find by the greater weight of the evidence that the condition was
20 met in order to sustain the revocation. At the conclusion of the hearing the judicial
21 official must enter an order sustaining or rescinding the revocation. The judicial
22 official's findings are without prejudice to the person contesting the revocation and to
23 any other potential party as to any other proceedings, civil or criminal, that may involve
24 facts bearing upon the conditions in subsection (b) considered by the judicial official.
25 The decision of the judicial official is final and may not be appealed in the General
26 Court of Justice. If the hearing is not held and completed within three working days of
27 the written request for a hearing before a magistrate or within five working days of the
28 written request for a hearing before a district court judge, the judicial official must enter
29 an order rescinding the revocation, unless the person contesting the revocation
30 contributed to the delay in completing the hearing. If the person requesting the hearing
31 fails to appear at the hearing or any rescheduling thereof after having been properly
32 notified, he forfeits his right to a hearing."

33 **SECTION 11.** G.S. 20-28.3(m) reads as rewritten:

34 "(m) Trial Priority. – District court trials of impaired driving offenses involving
35 forfeitures of motor vehicles pursuant to G.S. 20-28.2 shall be scheduled on the
36 arresting officer's next court date or within 30 days of the offense, whichever comes
37 first.

38 Once scheduled, the case shall not be continued unless all of the following
39 conditions are met:

- 40 (1) A written motion for continuance is filed with notice given to the
41 opposing party prior to the motion being heard.
- 42 (2) The judge makes a finding of a "compelling reason" for the
43 continuance.

1 (3) The motion and finding are attached to the court case record.

2 Upon a determination of guilt, the issue of vehicle forfeiture shall be heard by the
3 judge immediately, or as soon thereafter as feasible, and the judge shall issue the
4 appropriate orders pursuant to G.S. 20-28.2(d).

5 Should a defendant appeal the conviction to superior court, any party who has not
6 previously been heard on a petition for pretrial release under ~~subsections~~ subsection (e1)
7 or (e3) of this section or any party whose motor vehicle has not been the subject of a
8 forfeiture hearing held pursuant to G.S. 20-28.2(d) may be heard on a petition for
9 pretrial release pursuant to ~~subsections~~ subsection (e1) or (e3) of this section. The
10 provisions of subsection (e) of this section shall also apply to seized motor vehicles
11 pending trial in superior court. Where a motor vehicle was released pursuant to
12 subsection (e) of this section pending trial in district court, the release of the motor
13 vehicle continues, and the terms and conditions of the original bond remain the same as
14 those required for the initial release of the motor vehicle under subsection (e) of this
15 section, pending the resolution of the underlying offense involving impaired driving in
16 superior court."

17 **SECTION 12.** G.S. 20-118(c)(14) reads as rewritten:

18 "(c) Exceptions. – The following exceptions apply to G.S. 20-118(b) and
19 20-118(e).

20 ...

21 (14) Subsections (b) and (e) of this section do not apply to a vehicle that
22 meets all of the ~~following conditions;~~ conditions below, but all other
23 enforcement provisions of this Article remain applicable:

24 a. Is hauling aggregates from a distribution yard or a
25 State-permitted production site within a North Carolina county
26 contiguous to the North Carolina State border to a destination in
27 an adjacent state as verified by a weight ticket in the driver's
28 possession and available for inspection by enforcement
29 personnel.

30 b. Does not operate on an interstate highway or posted bridge.

31 c. Does not exceed 69,850 pounds gross vehicle weight and
32 53,850 pounds per axle grouping for tri-axle vehicles. For
33 purposes of this subsection, a tri-axle vehicle is a single unit
34 vehicle with a three consecutive axle group on which the
35 respective distance between any two consecutive axles of the
36 group, measured longitudinally center to center to the nearest
37 foot, does not exceed eight feet. For purposes of this subsection,
38 the tolerance provisions of subsection (h) of this section do not
39 apply.

40 ~~d. All other enforcement provisions of this Article remain~~
41 ~~applicable."~~

42 **SECTION 13.** G.S. 20-294(2) reads as rewritten:

1 "(2) Willfully and intentionally failing to comply with this Article, Article
2 15 of this Chapter, or G.S. 20-52.1, 20-75, ~~20-82~~, 20-108, 20-109, or a
3 rule adopted by the Division under this Article."

4 **SECTION 14.** Effective July 1, 2001, G.S. 25-9-705(c) reads as rewritten:

5 "(c) Pre-effective-date filing in jurisdiction formerly governing perfection. – This
6 act does not render ineffective an effective financing statement that, before July 1, 2001,
7 is filed and satisfies the applicable requirements for perfection under the law of the
8 jurisdiction governing perfection as provided in G.S. 25-9-103 of former Article 9.
9 However, except as otherwise provided in subsections (d) and (e) of this section and
10 G.S. 25-9-706, the financing statement ceases to be effective at the earlier of:

11 (1) The time the financing statement would have ceased to be effective
12 under the law of the jurisdiction in which it is filed; ~~and~~ or

13 (2) June 30, 2006."

14 **SECTION 15.** G.S. 30-3.2 reads as rewritten:

15 "**§ 30-3.2. Definitions.**

16 The following definitions apply in this Article:

17 ~~(a)~~(1) "Code" means the Internal Revenue Code in effect at the time of the
18 decedent's death.

19 ~~(b)~~(2) "Death taxes" means any estate, inheritance, succession, and similar
20 taxes imposed by any taxing authority, reduced by any applicable
21 credits against those taxes.

22 ~~(c)~~(3) "Nonadverse trustee" means a trustee who would be deemed
23 nonadverse under section 672 of the Code.

24 ~~(d)~~(4) "Total Net Assets" means, after the payment or provision for payment
25 of the decedent's funeral expenses, year's allowances to persons other
26 than to the surviving spouse, debts, claims, and administration
27 expenses, the sum of the following:

28 ~~(1)~~a. All property to which the decedent had legal and equitable title
29 immediately prior to death;

30 ~~(2)~~b. All property received by the decedent's personal representative
31 by reason of the decedent's death, other than wrongful death
32 proceeds;

33 ~~(3)~~c. One-half of the value of any property held by the decedent and
34 the surviving spouse as tenants by the entirety, or as joint
35 tenants with rights of survivorship;

36 ~~(4)~~d. The entire value of any interest in property held by the decedent
37 and another person, other than the surviving spouse, as joint
38 tenants with right of survivorship, except to the extent that
39 contribution can be proven by clear and convincing evidence;

40 ~~(5)~~e. The value of any property which would be included in the
41 taxable estate of the decedent pursuant to sections 2033, 2035,
42 2036, 2037, 2038, 2039, or 2040 of the Code.

- 1 ~~(6)~~f. Any donative transfers of property made by the decedent to
2 donees other than the surviving spouse within six months of the
3 decedent's death, excluding:
4 a.1. Any gifts within the annual exclusion provisions of
5 section 2503 of the Code;
6 b.2. Any gifts to which the surviving spouse consented. A
7 signing of a deed, or income or gift tax return reporting
8 such gift shall be considered consent; and
9 e.3. Any gifts made prior to marriage;
10 ~~(7)~~g. Any proceeds of any individual retirement account, pension or
11 profit-sharing plan, or any private or governmental retirement
12 plan or annuity of which the decedent controlled the designation
13 of beneficiary, excluding any benefits under the federal social
14 security system;
15 ~~(8)~~h. Any other Property Passing to Surviving Spouse under G.S.
16 30-3.3; and
17 ~~(9)~~i. In case of overlapping application of the same property under
18 more than one provision, the property shall be included only
19 once under the provision yielding the greatest value."

20 **SECTION 16.** G.S. 40A-64(c) reads as rewritten:

21 "(c) If the owner is to be allowed to remove any timber, building or other
22 permanent ~~improvement of fixtures~~improvement, or fixtures from the property, the
23 value thereof shall not be included in the compensation award, but the cost of removal
24 shall be considered as an element to be compensated."

25 **SECTION 17.** G.S. 58-5-15 reads as rewritten:

26 "**§ 58-5-15. Minimum deposit required upon admission.**

27 Upon admission to do business in the State of North Carolina every foreign or alien
28 fire, marine, or fire and marine, fidelity, surety or casualty company shall deposit with
29 the Commissioner securities in the amounts required under G.S. 58-5-5 and G.S.
30 58-5-10."

31 **SECTION 18.** G.S. 58-31-40(b) reads as rewritten:

32 "(b) No agency or other person authorized or directed by law to select a plan and
33 erect a building for the use of the State or any State institution shall receive and approve
34 of the plan until it is submitted to and approved by the Commissioner as to the safety of
35 the proposed building from fire, including the property's occupants or contents. No
36 agency or person authorized or directed by law to select a plan or erect a building
37 comprising 10,000 square feet ~~or~~ or more for the use of any county, city, or school
38 district shall receive and approve of the plan until it is submitted to and approved by the
39 Commissioner as to the safety of the proposed building from fire, including the
40 property's occupants or contents."

41 **SECTION 19.** The catch line of G.S. 59-31 reads as rewritten:

42 "**§ 59-31. ~~Name of Article.~~North Carolina Uniform Partnership Act.**"

43 **SECTION 20.** G.S. 59-1106 reads as rewritten:

1 "§ 59-1106. Fees; expedited filing.

2 The Secretary of State shall collect the following fees and remit them to the State
3 Treasurer for the use of the State:

- 4 (1) For filing a certificate of limited partnership
5 (G.S. 59-201)..... \$50.00
- 6 (2) For filing a certificate of amendment
7 (G.S. 59-202; 59-905) 25.00
- 8 (3) For filing a certificate of cancellation
9 (G.S. 59-203; 59-906) 25.00
- 10 (4) For filing an application for reservation of name
11 (G.S. 59-104(a)) 10.00
- 12 (5) For filing a transfer of name
13 (G.S. 59-104(d)) 10.00
- 14 (6) For filing an application for registration
15 as foreign limited partnership
16 (~~G.S. 59-502~~)(G.S. 59-902)..... 50.00
- 17 (7) For preparing and furnishing a copy of any
18 document, instrument or paper filed or recorded
19 relating to a limited partnership (G.S. 59-206(c))
20 For each page..... 1.00
21 For affixing the certificate and official seal thereto 5.00
- 22 (8) For comparing a copy furnished to him of any
23 document, instrument or paper filed or recorded
24 relating to a limited partnership
25 For each page..... 1.00
- 26 (9) For filing any other document not herein specifically
27 provided for 10.00
- 28 (10) For the expedited filing by the end of the same
29 business day of a document received in good order
30 by 12:00 noon Eastern Standard Time 200.00
31 additional fee
- 32 (11) For the expedited filing of a document received in
33 good order within 24 hours after receipt, excluding
34 weekends and holidays..... 100.00
35 additional fee
- 36 (12) Advisory review of a document 200.00.

37 The Secretary of State shall not collect the fees allowed in subdivisions (10) and (11)
38 of this section unless the person submitting the document for filing requests an
39 expedited filing and is informed by the Secretary of State of the fees prior to the filing
40 of the document. Upon receipt of a document in proper form and payment of the
41 required filing fee, the Secretary of State shall guarantee the expedited filing of the
42 document."

43 **SECTION 21.** G.S. 90-88(d) reads as rewritten:

1 "(d) If any substance is designated, rescheduled or deleted as a controlled
2 substance under federal law, the Commission shall similarly control or cease control of,
3 the substance under this Article unless the Commission objects to such inclusion. The
4 Commission, at its next regularly scheduled meeting that takes place 30 days after
5 publication in the Federal Register of a final order scheduling a substance, shall
6 determine either to adopt a rule to similarly control the substance under this Article or to
7 object to such action. No rule-making notice or hearing as specified by Chapter 150B
8 ~~150B~~ of the General Statutes is required if the Commission makes a decision to
9 similarly control a substance. However, if the Commission makes a decision to object to
10 adoption of the federal action, it shall initiate rule-making procedures pursuant to
11 Chapter 150B of the General Statutes within 180 days of its decision to object."

12 **SECTION 22.** G.S. 96-35(b) reads as rewritten:

13 "(b) The Office of State Budget, Planning, and Management shall report ~~to~~ to the
14 Governor and to the General Assembly upon the convening of each biennial session, its
15 evaluation of and recommendations regarding job training, education, and placement
16 programs for which data was provided to the CFS."

17 **SECTION 23.** G.S. 105-357(b)(2) reads as rewritten:

18 "(2) Penalty. – In addition to interest for nonpayment of taxes provided by
19 G.S. 105-360 and in addition to any criminal penalties provided by law
20 for the giving of worthless checks, the penalty for giving in payment of
21 taxes a check that is returned because of insufficient funds or
22 nonexistence of an account of the drawer is ten percent (10%) of the
23 amount of the check, subject to a minimum of one dollar (\$1.00) and a
24 maximum of one thousand dollars (\$1,000). This penalty does not
25 apply if the tax collector finds that, when the check was presented for
26 payment, the drawer of the check had sufficient funds in an account at
27 a financial institution in this State to pay the check and, by
28 ~~inadvertance, inadvertence,~~ the drawer of the check failed to draw the
29 check on the account that had sufficient funds. This penalty shall be
30 added to and collected in the same manner as the taxes for which the
31 check was given."

32 **SECTION 24.** G.S. 113A-241(c) reads as rewritten:

33 "(c) The Secretary of Environment and Natural Resources shall report to the
34 Governor and the Environmental Review Commission annually beginning on
35 September 1, 2000, on the State's progress towards attaining the goal established in
36 ~~Section 2~~ of this Article."

37 **SECTION 25.** G.S. 116D-4(b) reads as rewritten:

38 "~~(b) Participation in providing professional services.~~ Participation in Providing
39 Professional Services. – The Department of State Treasurer shall provide contracting
40 opportunities for historically underutilized businesses in providing professional services
41 in connection with the issuance of bonds and notes authorized by this section. As used
42 in this subsection, the term 'historically underutilized business' means a business
43 described in G.S. 143-48. The Department of State Treasurer shall strive to increase the

1 amount of legal, financial, and other professional services acquired by it from
2 historically underutilized businesses. With the assistance of the Office for Historically
3 Underutilized Businesses in the Department of Administration, the Department of State
4 Treasurer shall set objectives for contracting with these businesses, identify and
5 eliminate barriers or constraints that may restrict these businesses from contracting with
6 the Department, and develop a plan for meeting its objectives. The Department of State
7 Treasurer shall report quarterly to the Office for Historically Underutilized Businesses
8 on its progress in carrying out the requirements of this subsection."

9 **SECTION 26.** G.S. 116D-11(g) reads as rewritten:

10 "(g) University Improvement Bonds Fund. – The proceeds of university
11 improvement general obligation bonds and notes, including premium thereon, if any,
12 except the proceeds of bonds the issuance of which has been anticipated by bond
13 anticipation notes or the proceeds of refunding bonds or notes, shall be placed by the
14 State Treasurer in a special fund to be designated 'University Improvement Bonds
15 Fund'. Moneys in the University Improvement Bonds Fund shall be used for the
16 purposes set forth in this Article.

17 Any additional moneys that may be received by means of a grant or grants from the
18 United States of America or any agency or department thereof or from any other source
19 to aid in financing the cost of any university improvements authorized by this Article
20 may be placed by the State Treasurer in the University Improvement Bonds Fund or in a
21 separate account or fund and shall be disbursed, to the extent permitted by the terms of
22 the grant or grants, without regard to any limitations imposed by this ~~aet.~~ Article.

23 The proceeds of university improvement general obligation bonds and notes may be
24 used with any other moneys made available by the General Assembly for the making of
25 university improvements, including the proceeds of any other State bond issues,
26 whether previously made available or which may be made available after the effective
27 date of this Article. The proceeds of university improvement bonds and notes shall be
28 expended and disbursed under the direction and supervision of the Director of the
29 Budget. The funds provided by this Article for university improvements shall be
30 disbursed for the purposes provided in this Article upon warrants drawn on the State
31 Treasurer by the State Controller, which warrants shall not be drawn until requisition
32 has been approved by the Director of the Budget and which requisition shall be
33 approved only after full compliance with the Executive Budget Act, Article 1 of Chapter
34 143 of the General Statutes."

35 **SECTION 27.** G.S. 116D-46(g) reads as rewritten:

36 "(g) Community College Bonds Fund. – The proceeds of community college
37 general obligation bonds and notes, including premium thereon, if any, except the
38 proceeds of bonds the issuance of which has been anticipated by bond anticipation notes
39 or the proceeds of refunding bonds or notes, shall be placed by the State Treasurer in a
40 special fund to be designated 'Community College Bonds Fund'. Moneys in the
41 Community College Bonds Fund shall be used for the purposes set forth in this Article.

42 Any additional moneys that may be received by means of a grant or grants from the
43 United States of America or any agency or department thereof or from any other source

1 to aid in financing the cost of any community college capital facilities authorized by this
2 Article may be placed by the State Treasurer in the Community College Bonds Fund or
3 in a separate account or fund and shall be disbursed, to the extent permitted by the terms
4 of the grant or grants, without regard to any limitations imposed by this ~~aet.~~ Article.

5 The proceeds of community college general obligation bonds and notes may be used
6 with any other moneys made available by the General Assembly for the making of
7 grants to community colleges for capital facilities, including the proceeds of any other
8 State bond issues, whether previously made available or which may be made available
9 after the effective date of this Article. The proceeds of community college bonds and
10 notes shall be expended and disbursed under the direction and supervision of the
11 Director of the Budget. The funds provided by this Article for grants to community
12 colleges shall be disbursed for the purposes provided in this Article upon warrants
13 drawn on the State Treasurer by the State Controller, which warrants shall not be drawn
14 until requisition has been approved by the Director of the Budget and which requisition
15 shall be approved only after full compliance with the Executive Budget Act, Article 1 of
16 Chapter 143 of the General Statutes."

17 **SECTION 28.** Effective July 1, 2001, G.S. 122C-269(b) reads as rewritten:

18 "(b) An official of the facility shall immediately notify the clerk of superior court
19 of the county in which the facility is located of a determination to hold the respondent
20 pending hearing. That clerk shall request transmittal of all documents pertinent to the
21 proceedings from the clerk of superior court where the proceedings were initiated. The
22 requesting clerk shall assume all duties set forth in G.S. 122C-264. The counsel ~~for~~
23 ~~indigent respondents~~ ~~the counsel~~ provided for in G.S. 122C-268(d) shall be appointed in
24 accordance with rules adopted by the Office of Indigent Defense Services."

25 **SECTION 29.** G.S. 131D-2(b)(1) reads as rewritten:

26 "(b) Licensure; inspections. –

27 (1) The Department of Health and Human Services shall inspect and
28 license, under rules adopted by the Medical Care Commission, all
29 adult care homes for persons who are aged or mentally or physically
30 disabled except those exempt in subsection (c) of this section. Licenses
31 issued under the authority of this section shall be valid for one year
32 from the date of issuance unless revoked earlier by the Secretary for
33 failure to comply with any part of this section or any rules adopted
34 ~~hereunder~~ ~~adult care~~ hereunder. Licenses shall be renewed annually
35 upon filing and the Department's approval of the renewal application.
36 A license shall not be renewed if outstanding fines and penalties
37 imposed by the State against the home have not been paid. Fines and
38 penalties for which an appeal is pending are exempt from
39 consideration. The renewal application shall contain all necessary and
40 reasonable information that the Department may by rule require.
41 Except as otherwise provided in this subdivision, the Department may
42 amend a license by reducing it from a full license to a provisional

1 license for a period of not more than 90 days whenever the Department
2 finds that:

- 3 a. The licensee has substantially failed to comply with the
4 provisions of Articles 1 and 3 of Chapter 131D of the General
5 Statutes and the rules adopted pursuant to these Articles;
6 b. There is a reasonable probability that the licensee can remedy
7 the licensure deficiencies within a reasonable length of time;
8 and
9 c. There is a reasonable probability that the licensee will be able
10 thereafter to remain in compliance with the licensure rules for
11 the foreseeable future.

12 The Department may extend a provisional license for not more than
13 one additional 90-day period upon finding that the licensee has made
14 substantial progress toward remedying the licensure deficiencies that
15 caused the license to be reduced to provisional status.

16 The Department may revoke a license whenever:

- 17 a. The Department finds that:
18 1. The licensee has substantially failed to comply with the
19 provisions of Articles 1 and 3 of Chapter 131D of the
20 General Statutes and the rules adopted pursuant to these
21 Articles; and
22 2. It is not reasonably probable that the licensee can remedy
23 the licensure deficiencies within a reasonable length of
24 time; or
25 b. The Department finds that:
26 1. The licensee has substantially failed to comply with the
27 provisions of Articles 1 and 3 of Chapter 131D of the
28 General Statutes and the rules adopted pursuant to these
29 Articles; and
30 2. Although the licensee may be able to remedy the
31 deficiencies within a reasonable time, it is not reasonably
32 probable that the licensee will be able to remain in
33 compliance with licensure rules for the foreseeable
34 future; or
35 c. The Department finds that the licensee has failed to comply
36 with the provisions of Articles 1 and 3 of Chapter 131D of the
37 General Statutes and the rules adopted pursuant to these
38 Articles, and the failure to comply endangered the health,
39 safety, or welfare of the patients in the facility.

40 The Department may also issue a provisional license to a facility,
41 pursuant to rules adopted by the Medical Care Commission, for
42 substantial failure to comply with the provisions of this section or rules
43 adopted pursuant to this section. Any facility wishing to contest the

1 issuance of a provisional license shall be entitled to an administrative
2 hearing as provided in the Administrative Procedure Act, Chapter
3 150B of the General Statutes. A petition for a contested case shall be
4 filed within 30 days after the Department mails written notice of the
5 issuance of the provisional license."

6 **SECTION 30.** Effective July 1, 2003, G.S. 143-15.3B(a) reads as rewritten:

7 "(a) **(Effective July 1, 2003)** The Clean Water Management Trust Fund is
8 established in G.S. 113-145.3. The General Assembly finds that, due to the critical need
9 in this State to clean up pollution in the State's surface waters and to protect and
10 conserve those waters that are not yet polluted, it is imperative that the State provide a
11 minimum of one hundred million dollars (\$100,000,000) each calendar year to the
12 Clean Water Management ~~Management~~ Trust Fund; therefore, there is annually
13 appropriated from the General Fund to the Clean Water Management Trust Fund the
14 sum of one hundred million dollars (\$100,000,000)."

15 **SECTION 31.** G.S. 143B-434(b) reads as rewritten:

16 "(b) Membership. – The Economic Development Board shall consist of 36
17 members. The Secretary of Commerce shall serve ex officio as a member and as the
18 secretary of the Economic Development Board. Four members of the House of
19 Representatives appointed by the Speaker of the House of Representatives, four
20 members of the Senate appointed by the President Pro Tempore of the Senate, the
21 President of The University of North Carolina, or designee, the President of the North
22 Carolina Community College System, or designee, the Secretary of State, and the
23 President of the Senate (or the designee of the President of the Senate), shall serve as
24 members of the Board. The Governor shall appoint the remaining 23 members of the
25 ~~Board, provided that effective~~ Board. Effective with the terms beginning July 1, 1997,
26 one of ~~those~~ the Governor's appointees shall be a representative of a nonprofit
27 organization involved in economic development and two of ~~those~~ the Governor's
28 appointees shall be county economic development representatives. The Governor shall
29 designate a chair and a vice-chair from among the members of the Board. Appointments
30 to the Board made by the Governor for terms beginning July 1, 1997, and appointments
31 to the Board made by the Speaker of the House of Representatives and the President Pro
32 Tempore of the Senate for terms beginning July 9, 1993, should reflect the ethnic and
33 gender diversity of the State as nearly as practical.

34 The initial appointments to the Board shall be for terms beginning on July 9, 1993.
35 Of the initial appointments made by the Governor, the terms shall expire July 1, 1997.
36 Of the initial appointments made by the Speaker of the House of Representatives and by
37 the President Pro Tempore of the Senate two appointments of each shall be designated
38 to expire on July 1, 1995; the remaining terms shall expire July 1, 1997. Thereafter, all
39 appointments shall be for a term of four years.

40 The appointing officer shall make a replacement appointment to serve for the
41 unexpired term in the case of a vacancy.

42 The members of the Economic Development Board shall receive per diem and
43 necessary travel and subsistence expenses payable to members of State Boards and

1 agencies generally pursuant to G.S. 138-5 and ~~[G.S.]~~ G.S. 138-6, as the case may be.
2 The members of the Economic Development Board who are members of the General
3 Assembly shall not receive per diem but shall receive necessary travel and subsistence
4 expenses at rates prescribed by G.S. 120-3.1."

5 **SECTION 32.** G.S. 143B-456.1(e) reads as rewritten:

6 "(e) Notwithstanding any other provision of law, the Authority may agree that all
7 contracts relating to the acquisition, construction, installation and equipping of the
8 special user project shall be solicited, negotiated, awarded and executed by the private
9 party or parties for which the Authority is financing the special user project or their
10 agents subject only to such approvals by the Authority as the Authority may require.
11 The Authority may, out of the proceeds of bonds or notes, make advances to or
12 reimburse such private parties or such agents for all or a portion of the costs incurred in
13 connection with such contracts. The provisions of ~~Section~~ G.S. 143B-463 of this Part
14 shall have no application to funds and moneys derived pursuant to this section."

15 **SECTION 33.** G.S. 147-33.85(b) reads as rewritten:

16 "(b) The Office shall coordinate with the Office of State Budget, Planning, and
17 Management ~~and the Office of State Budget, Planning, and Management~~ to integrate
18 agency strategic and business planning, technology planning and budgeting, and project
19 expenditure processes into the Office's information technology portfolio-based
20 management. The Office shall provide recommendations for agency annual budget
21 requests for information technology investments, projects, and initiatives to the Office
22 of State Budget, Planning, and Management."

23 **SECTION 34.** Effective July 1, 2001, G.S. 159D-23 reads as rewritten:

24 "**§ 159D-23. Application of Article 9 of Chapter 25.**

25 Article 9 of Chapter 25 of the General Statutes applies to transactions under this
26 Chapter.

27 ~~G.S. Article as if G.S.~~."

28 **SECTION 35.** G.S. 160A-37(f1) and (f2) read as rewritten:

29 "(f1) Property Subject to Present-Use Value Appraisal. – If an area described in an
30 annexation ordinance includes agricultural land, horticultural land, or forestland that
31 meets either of the conditions listed below on the effective date of annexation is:
32 annexation, then the annexation becomes effective as to that property pursuant to
33 subsection (f2) of this section:

34 (1) The land is being taxed at present-use value pursuant to G.S. ~~105-~~
35 ~~277.4; or~~ 105-277.4.

36 (2) The land meets both of the following conditions:

37 a. ~~Was on~~ On the date of the resolution of intent for annexation it
38 was being used for actual production and is eligible for
39 present-use value taxation under G.S. 105-277.4, but had not
40 been in use for actual production for the required time under
41 G.S. ~~105-277.3; and~~ 105-277.3.

1 b. The assessor for the county where the land subject to
2 annexation is located has certified to the city that the land meets
3 the requirements of this ~~subdivision~~ subdivision.
4 ~~the annexation becomes effective as to that property pursuant to subsection (f2) of this~~
5 ~~section.~~

6 (f2) Effective Date of Annexation for Certain Property. – Annexation of property
7 subject to annexation under subsection (f1) of this section ~~shall become effective;~~
8 becomes effective as provided in this subsection.

9 (1) Upon the effective date of the annexation ordinance, the property is
10 considered part of the city only (i) for the purpose of establishing city
11 boundaries for additional annexations pursuant to this Article and (ii)
12 for the exercise of city authority pursuant to Article 19 of this Chapter.

13 (2) For all other purposes, the annexation becomes effective as to each
14 tract of the property or part thereof on the last day of the month in
15 which that tract or part thereof becomes ineligible for classification
16 pursuant to G.S. ~~105-227.4-105-277.4~~ or no longer meets the
17 requirements of subdivision (f1)(2) of this section. Until annexation of
18 a tract or a part of a tract becomes effective pursuant to this
19 subdivision, the tract or part of a tract is not subject to taxation by the
20 city under Article 12 of Chapter 105 of the General Statutes nor is the
21 tract or part of a tract entitled to services provided by the city."

22 **SECTION 36.** G.S. 160A-300.1(d) reads as rewritten:

23 "(d) This act applies to the Cities of Charlotte, Fayetteville, Greensboro, ~~High~~
24 ~~Point, Rocky Mount, Wilmington, Greenville, and Lumberton, Greenville, High Point,~~
25 Lumberton, Rocky Mount, and Wilmington, and the Towns of Chapel Hill, Cornelius,
26 Huntersville, Matthews, and Pineville only."

27 **SECTION 37.(a)** G.S. 93A-2 reads as rewritten:

28 "**§ 93A-2. Definitions and exceptions.**

29 (a) A real estate broker within the meaning of this Chapter is any person,
30 partnership, corporation, limited liability company, association, or other business entity
31 who for a compensation or valuable consideration or promise thereof lists or offers to
32 list, sells or offers to sell, buys or offers to buy, auctions or offers to auction
33 (specifically not including a mere crier of sales), or negotiates the purchase or sale or
34 exchange of real estate, or who leases or offers to lease, or who sells or offers to sell
35 leases of whatever character, or rents or offers to rent any real estate or the improvement
36 thereon, for others.

37 (a1) The term broker-in-charge within the meaning of this Chapter ~~shall mean~~
38 means a real estate broker who has been designated as the broker having responsibility
39 for the supervision of real estate ~~salesperson~~ salespersons engaged in real estate
40 brokerage at a particular real estate office and for other administrative and supervisory
41 duties as the Commission shall prescribe by rule.

42 (b) The term real estate salesperson within the meaning of this Chapter shall
43 mean and include any person who under the supervision of a real estate broker

1 designated as broker-in-charge of a real estate office, for a compensation or valuable
2 consideration is associated with or engaged by or on behalf of a licensed real estate
3 broker to do, perform or deal in any act, acts or transactions set out or comprehended by
4 the foregoing definition of real estate broker.

5 (c) The provisions of this Chapter ~~shall do not~~ apply to and ~~shall do not~~ include:

- 6 (1) Any person, partnership, corporation, limited liability company,
7 association, or other business entity who, as owner or lessor, shall
8 perform any of the acts aforesaid with reference to property owned or
9 leased by them, where the acts are performed in the regular course of
10 or as incident to the management of that property and the investment
11 therein.
- 12 (2) Any person acting as an attorney-in-fact under a duly executed power
13 of attorney from the owner authorizing the final consummation of
14 performance of any contract for the sale, lease or exchange of real
15 estate.
- 16 (3) The acts or services of an attorney-at-law.
- 17 (4) Any person, while acting as a receiver, trustee in bankruptcy, guardian,
18 administrator or executor or any person acting under order of any
19 court.
- 20 (5) Any person, while acting as a trustee under a trust agreement, deed of
21 trust or will, or ~~his~~ that person's regular salaried employees.
- 22 (6) Any salaried person employed by a licensed real estate broker, for and
23 on behalf of the owner of any real estate or the improvements thereon,
24 which the licensed broker has contracted to manage for the owner, if
25 the salaried ~~employee~~ employee's employment is limited in his
26 ~~employment~~ to: exhibiting units on the real estate to prospective
27 tenants; providing the prospective tenants with information about the
28 lease of the units; accepting applications for lease of the units;
29 completing and executing preprinted form leases; and accepting
30 security deposits and rental payments for the units only when the
31 deposits and rental payments are made payable to the owner or the
32 broker employed by the owner. The salaried employee shall not
33 negotiate the amount of security deposits or rental payments and shall
34 not negotiate leases or any rental agreements on behalf of the owner or
35 broker.
- 36 (7) Any owner who personally leases or sells ~~his~~ the owner's own
37 property.
- 38 (8) Any housing authority organized in accordance with the provisions of
39 Chapter 157 of the General Statutes and any regular salaried
40 employees of the housing authority when performing acts authorized
41 in this Chapter as to any property owned or leased by the housing
42 authority. This exception shall not apply to any person, partnership,
43 corporation, limited liability company, association, or other business

1 entity that contracts with a housing authority to sell or manage
2 property owned or leased by the housing authority."

3 **SECTION 37.(b)** G.S. 93A-6 reads as rewritten:

4 **"§ 93A-6. Disciplinary action by Commission.**

5 (a) The Commission ~~shall have~~ has power to take disciplinary action. Upon its
6 own initiative, or on the complaint of any person, the Commission may investigate the
7 actions of any person or entity licensed under this Chapter, or any other person or entity
8 who shall assume to act in such capacity. If the Commission finds probable cause that a
9 licensee has violated any of the provisions of this Chapter, the Commission may hold a
10 hearing on the allegations of misconduct.

11 The Commission ~~shall have~~ has power to suspend or revoke at any time a license
12 issued under the provisions of this Chapter, or to reprimand or censure any licensee, if,
13 following a hearing, the Commission adjudges the licensee to be guilty of:

- 14 (1) Making any willful or negligent misrepresentation or any willful or
15 negligent omission of material fact.
- 16 (2) Making any false promises of a character likely to influence, persuade,
17 or induce.
- 18 (3) Pursuing a course of misrepresentation or making of false promises
19 through agents, salespersons, advertising or otherwise.
- 20 (4) Acting for more than one party in a transaction without the knowledge
21 of all parties for whom he or she acts.
- 22 (5) Accepting a commission or valuable consideration as a real estate
23 salesperson for the performance of any of the acts specified in this
24 Article or Article 4 of this Chapter, from any person except his or her
25 broker-in-charge or licensed broker by whom he or she is employed.
- 26 (6) Representing or attempting to represent a real estate broker other than
27 the broker by whom he or she is engaged or associated, without the
28 express knowledge and consent of the broker with whom he or she is
29 associated.
- 30 (7) Failing, within a reasonable time, to account for or to remit any
31 ~~moneys~~ monies coming into his or her possession which belong to
32 others.
- 33 (8) Being unworthy or incompetent to act as a real estate broker or
34 salesperson in a manner as to endanger the interest of the public.
- 35 (9) Paying a commission or valuable consideration to any person for acts
36 or services performed in violation of this Chapter.
- 37 (10) Any other conduct which constitutes improper, fraudulent or dishonest
38 dealing.
- 39 (11) Performing or undertaking to perform any legal service, as set forth in
40 G.S. 84-2.1, or any other acts constituting the practice of law.
- 41 (12) Commingling the money or other property of his or her principals with
42 his or her own or failure to maintain and deposit in a trust or escrow
43 account in an insured bank or savings and loan association in North

1 Carolina all money received by him or her as a real estate licensee
2 acting in that capacity, or an escrow agent, or the temporary custodian
3 of the funds of others, in a real estate transaction; provided, these
4 accounts shall not bear interest unless the principals authorize in
5 writing the deposit be made in an interest bearing account and also
6 provide for the disbursement of the interest accrued.

7 (13) Failing to deliver, within a reasonable time, a completed copy of any
8 purchase agreement or offer to buy and sell real estate to the buyer and
9 to the seller.

10 (14) Failing, at the time the transaction is consummated, to deliver to the
11 seller in every real estate transaction, a complete detailed closing
12 statement showing all of the receipts and disbursements handled by
13 him or her for the seller or failing to deliver to the buyer a complete
14 statement showing all money received in the transaction from the
15 buyer and how and for what it was disbursed.

16 (15) Violating any rule or regulation promulgated by the Commission.

17 The Executive Director shall transmit a certified copy of all final orders of the
18 Commission suspending or revoking licenses issued under this Chapter to the clerk of
19 superior court of the county in which the licensee maintains his or her principal place of
20 business. The clerk shall enter these orders upon the judgment docket of the county.

21 (b) Following a hearing, the Commission shall also have power to suspend or
22 revoke any license issued under the provisions of this Chapter or to reprimand or
23 censure any licensee when:

24 (1) The licensee has obtained a license by false or fraudulent
25 representation;

26 (2) The licensee has been convicted or has entered a plea of guilty or no
27 contest upon which final judgment is entered by a court of competent
28 jurisdiction in this State, or any other state, of the criminal offenses of:
29 embezzlement, obtaining money under false pretense, fraud, forgery,
30 conspiracy to defraud, or any other offense involving moral turpitude
31 which would reasonably affect the licensee's performance in the real
32 estate business;

33 (3) The licensee has violated any of the provisions of G.S. 93A-6(a) when
34 selling, leasing, or buying ~~his~~ the licensee's own property;

35 (4) The broker's unlicensed employee, who is exempt from the provisions
36 of this Chapter under G.S. 93A-2(c)(6), has committed, in the regular
37 course of business, any act which, if committed by the broker, would
38 constitute a violation of G.S. 93A-6(a) for which the broker could be
39 disciplined; or

40 (5) The licensee, who is also a State-licensed or State-certified real estate
41 appraiser pursuant to Chapter 93E of the General Statutes, has violated
42 any provisions of Chapter 93E of the General Statutes and has been

1 reprimanded or has had ~~his~~an appraiser license or certificate
2 suspended or revoked by the Appraisal Board.

3 (c) The Commission may appear in its own name in superior court in actions for
4 injunctive relief to prevent any person from violating the provisions of this Chapter or
5 rules promulgated by the Commission. The superior court shall have the power to grant
6 these injunctions even if criminal prosecution has been or may be instituted as a result
7 of the violations, or whether the person is a licensee of the Commission.

8 (d) Each broker shall maintain complete records showing the deposit,
9 maintenance, and withdrawal of money or other property owned by ~~his~~the broker's
10 principals or held in escrow or in trust for ~~his~~the broker's principals. The Commission
11 may inspect these records periodically, without prior notice and may also inspect these
12 records whenever the Commission determines that they are pertinent to an investigation
13 of any specific complaint against a licensee.

14 (e) When a person or entity licensed under this Chapter is accused of any act,
15 omission, or misconduct which would subject the licensee to disciplinary action, the
16 licensee, with the consent and approval of the Commission, may surrender ~~his or its~~the
17 license and all the rights and privileges pertaining to it for a period of time established
18 by the Commission. A person or entity who surrenders ~~his or its~~a license shall not
19 thereafter be eligible for or submit any application for licensure as a real estate broker or
20 salesperson during the period of license surrender."

21 **SECTION 37.(c)** G.S. 93A-16 reads as rewritten:

22 **"§ 93A-16. Real Estate Recovery Fund created; payment to fund; management.**

23 (a) There is hereby created a special fund to be known as the "Real Estate
24 Recovery Fund" which shall be set aside and maintained by the North Carolina Real
25 Estate Commission. ~~Said~~The fund shall be used in the manner provided under this
26 Article for the payment of unsatisfied judgments where the aggrieved person has
27 suffered a direct monetary loss by reason of certain acts committed by any real estate
28 broker or salesperson licensed under this Chapter.

29 (b) On September 1, 1979, the Commission shall transfer the sum of one hundred
30 thousand dollars (\$100,000) from its expense reserve fund to the Real Estate Recovery
31 Fund. Thereafter, the Commission may transfer to the Real Estate Recovery Fund
32 additional sums of money from whatever funds the Commission may have, provided
33 that, if on December 31 of any year the amount remaining in the fund is less than fifty
34 thousand dollars (\$50,000), the Commission may determine that each person or entity
35 licensed under this Chapter, when renewing ~~his or its~~a license, shall pay in addition to
36 ~~his~~the license renewal fee, a fee not to exceed ten dollars (\$10.00) per broker and five
37 dollars (\$5.00) per salesperson as shall be determined by the Commission for the
38 purpose of replenishing the fund.

39 (c) The Commission shall invest and reinvest the ~~moneys~~monies in the Real
40 Estate Recovery Fund in the same manner as provided by law for the investment of
41 funds by the clerk of superior court. The proceeds from such investments shall be
42 deposited to the credit of the fund.

1 (d) The Commission shall have the authority to adopt reasonable rules and
2 procedures not inconsistent with the provisions of this Article, to provide for the
3 orderly, fair and efficient administration and payment of monies held in the Real Estate
4 Recovery Fund."

5 **SECTION 37.(d)** G.S. 93A-18 reads as rewritten:

6 **"§ 93A-18. Hearing; required showing.**

7 Upon ~~such~~ application by an aggrieved person, the Commission shall conduct a
8 hearing and the aggrieved person shall be required to ~~show~~; show that the aggrieved
9 person:

- 10 (1) ~~He is~~ Is not a spouse of the judgment debtor or a person representing
11 ~~such~~ the spouse; ~~and~~
- 12 (2) ~~He is~~ Is making application not more than one year after termination of
13 all judicial proceedings, including appeals, in connection with the
14 judgment;
- 15 (3) ~~He has~~ Has complied with all requirements of this Article;
- 16 (4) ~~He has~~ Has obtained a judgment as described in G.S. 93A-17, stating
17 the amount owing thereon at the date of application;
- 18 (5) ~~He has~~ Has made all reasonable searches and inquiries to ascertain
19 whether the judgment debtor is possessed of real or personal property
20 or other assets liable to be sold or applied in satisfaction of the
21 judgment;
- 22 (6) ~~That by such search he~~ After searching as described in subdivision (5)
23 of this section, has discovered no real or personal property or other
24 assets liable to be sold or applied, or that he has discovered certain of
25 them, describing them, but that the amount so realized was insufficient
26 to satisfy the judgment, stating the amount realized and the balance
27 remaining due on the judgment after application of the amount
28 realized; and
- 29 (7) ~~He has~~ Has diligently pursued ~~his remedies including attempted the~~
30 aggrieved person's remedies, which include attempting execution on
31 the judgment against all the judgment debtors—debtors, which
32 execution has been returned unsatisfied. In addition to that, he knows
33 Knows of no assets of the judgment debtor and ~~that he~~ has attempted
34 collection from all other persons who may be liable to him in for the
35 transaction for which he—the aggrieved person seeks payment from the
36 Real Estate Recovery Fund if there be any such other persons."

37 **SECTION 37.(e)** G.S. 93A-19 reads as rewritten:

38 **"§ 93A-19. Response and defense by Commission and judgment debtor; proof of**
39 **conversion.**

40 (a) Whenever the Commission proceeds upon an application as set forth in this
41 Article, counsel for the Commission may defend such action on behalf of the fund and
42 shall have recourse to all appropriate means of defense, including the examination of
43 witnesses. The judgment debtor may defend such action on his or her own behalf and

1 shall have recourse to all appropriate means of defense, including the examination of
2 witnesses. Counsel for the Commission and the judgment debtor may file responses to
3 the application, setting forth answers and defenses. Responses shall be filed with the
4 Commission and copies shall be served upon every party by the filing party. If at any
5 time it appears there are no triable issues of fact and the application for payment from
6 the fund is without merit, the Commission shall dismiss the application. A motion to
7 dismiss may be supported by affidavit of any person or persons having knowledge of
8 the facts and may be made on the basis that the application or the judgment referred to
9 therein do not form a basis for meritorious recovery within the purview of G.S. 93A-17,
10 that the applicant has not complied with the provisions of this Article, or that the
11 liability of the fund with regard to the particular licensee or transaction has been
12 exhausted; provided, however, notice of ~~such~~the motion shall be given at least 10 days
13 prior to the time fixed for hearing. If the applicant or judgment debtor fails to appear at
14 the hearing after receiving notice of the hearing, the applicant or judgment debtor ~~shall~~
15 ~~waive his or her rights~~waives the person's rights unless the absence is excused by the
16 Commission.

17 (b) Whenever the judgment obtained by an applicant is by default, stipulation, or
18 consent, or whenever the action against the licensee was defended by a trustee in
19 bankruptcy, the applicant, for purposes of this Article, shall have the burden of proving
20 ~~his~~the cause of action for conversion of trust funds. Otherwise, the judgment shall
21 create a rebuttable presumption of the conversion of trust funds. This presumption is a
22 presumption affecting the burden of producing evidence."

23 **SECTION 37.(f)** G.S. 93A-22 reads as rewritten:

24 "**§ 93A-22. Repayment to fund; automatic suspension of license.**

25 Should the Commission pay from the Real Estate Recovery Fund any amount in
26 settlement of a claim or toward satisfaction of a judgment against a licensed real estate
27 broker or salesperson, the license of the broker or salesperson shall be automatically
28 suspended upon the effective date of the order authorizing payment from the fund. No
29 such broker or salesperson shall be granted a reinstatement until ~~he has the fund has~~
30 been repaid in full, plus including interest at the legal rate as provided for in G.S. 24-1,
31 ~~the amount paid from the Real Estate Recovery Fund.G.S. 24-1."~~

32 **SECTION 37.(g)** G.S. 93A-23 reads as rewritten:

33 "**§ 93A-23. Subrogation of rights.**

34 When the Commission has paid from the Real Estate Recovery Fund any sum to the
35 judgment creditor, the Commission shall be subrogated to all of the rights of the
36 judgment creditor to the extent of the amount so paid and the judgment creditor shall
37 assign all ~~his~~ right, title, and interest in the judgment to the extent of the amount so paid
38 to the Commission and any amount and interest so recovered by the Commission on the
39 judgment shall be deposited in the Real Estate Recovery Fund."

40 **SECTION 37.(h)** G.S. 93A-25 reads as rewritten:

41 "**§ 93A-25. Persons ineligible to recover from fund.**

42 No real estate broker or real estate salesperson who suffers the loss of any
43 commission from any transaction in which he or she was acting in the capacity of a real

1 estate broker or real estate salesperson shall be entitled to make application for payment
2 from the Real Estate Recovery Fund for ~~such~~the loss."

3 **SECTION 37.(i)** G.S. 93A-42 reads as rewritten:

4 "**§ 93A-42. Time shares deemed real estate.**

5 (a) A time share is deemed to be an interest in real estate, and shall be governed
6 by the law of this State relating to real estate.

7 (b) A purchaser of a time share may in accordance with G.S. 47-18 register the
8 time share instrument by which ~~he~~the purchaser acquired ~~his~~the interest and upon such
9 registration shall be entitled to the protection provided by Chapter 47 of the General
10 Statutes for the recordation of other real property instruments. A time share instrument
11 transferring or encumbering a time share shall not be rejected for recordation because of
12 the nature or duration of that estate, provided all other requirements necessary to make
13 an instrument recordable are complied with.

14 (c) The developer shall record or cause to be recorded a time share instrument:

15 (1) Not less than six days nor more than 45 days following the execution
16 of the contract of sale by the purchaser; or

17 (2) Not later than 180 days following the execution of the contract of sale
18 by the purchaser, provided that all payments made by the purchaser
19 shall be placed by the developer with an independent escrow agent
20 upon the expiration of the 10-day escrow period provided by G.S.
21 93A-45(c).

22 (d) The independent escrow agent provided by G.S. 93A-42(c)(2) shall deposit
23 and maintain the purchaser's payments in an insured trust or escrow account in a bank or
24 savings and loan association located in this State. The trust or escrow account may be
25 interest-bearing and the interest earned shall belong to the developer, if agreed upon in
26 writing by the purchaser; Provided, however, if the time share instrument is not
27 recorded within the time periods specified in this section, then the interest earned shall
28 belong to the purchaser. The independent escrow agent shall return all payments to the
29 purchaser at the expiration of 180 days following the execution of the contract of sale
30 by the purchaser, unless prior to that time the time share instrument has been recorded.
31 However, if prior to the expiration of 180 days following the execution of the contract
32 of sale, the developer and the purchaser provide their written consent to the independent
33 escrow agent, the developer's obligation to record the time share instrument and the
34 escrow period may be extended for an additional period of 120 days. Upon recordation
35 of the time share instrument, the independent escrow agent shall pay the purchaser's
36 funds to the developer. Upon request by the Commission, the independent escrow agent
37 shall promptly make available to the Commission inspection of records of money held
38 by ~~him~~the independent escrow agent.

39 (e) In no event shall the developer be required to record a time share instrument
40 if the purchaser is in default of ~~his~~the purchaser's obligations.

41 (f) Recordation under the provisions of this section of the time share instrument
42 shall constitute delivery of that instrument from the developer to the purchaser."

43 **SECTION 37.(j)** G.S. 93A-45(d) reads as rewritten:

1 "(d) If a developer fails to provide a purchaser to whom a time share is transferred
2 with the statement as required by subsection (a), the purchaser, in addition to any rights
3 to damages or other relief, is entitled to receive from the developer an amount equal to
4 ten percent (10%) of the sales price of the time share not to exceed three thousand
5 dollars (\$3,000). A receipt signed by the purchaser stating that ~~he~~the purchaser has
6 received the statement required by subsection (a) is prima facie evidence of delivery of
7 ~~such~~the statement."

8 **SECTION 37.(k)** G.S. 93A-48 reads as rewritten:

9 "**§ 93A-48. Exchange programs.**

10 (a) If a purchaser is offered the opportunity to subscribe to any exchange
11 program, the developer shall, except as provided in subsection (b), deliver to the
12 purchaser, prior to the execution of (i) any contract between the purchaser and the
13 exchange company, and (ii) the sales contract, at least the following information
14 regarding ~~such~~the exchange program:

- 15 (1) The name and address of the exchange company;
- 16 (2) The names of all officers, directors, and shareholders owning five
17 percent (5%) or more of the outstanding stock of the exchange
18 company;
- 19 (3) Whether the exchange company or any of its officers or directors has
20 any legal or beneficial interest in any developer or managing agent for
21 any time share project participating in the exchange program and, if so,
22 the name and location of the time share project and the nature of the
23 interest;
- 24 (4) Unless the exchange company is also the developer a statement that
25 the purchaser's contract with the exchange company is a contract
26 separate and distinct from the sales contract;
- 27 (5) Whether the purchaser's participation in the exchange program is
28 dependent upon the continued affiliation of the time share project with
29 the exchange program;
- 30 (6) Whether the purchaser's membership or participation, or both, in the
31 exchange program is voluntary or mandatory;
- 32 (7) A complete and accurate description of the terms and conditions of the
33 purchaser's contractual relationship with the exchange company and
34 the procedure by which changes thereto may be made;
- 35 (8) A complete and accurate description of the procedure to qualify for
36 and effectuate exchanges;
- 37 (9) A complete and accurate description of all limitations, restrictions, or
38 priorities employed in the operation of the exchange program,
39 including, but not limited to, limitations on exchanges based on
40 seasonality, unit size, or levels of occupancy, expressed in boldfaced
41 type, and, in the event that such limitations, restrictions, or priorities
42 are not uniformly applied by the exchange program, a clear description
43 of the manner in which they are applied;

- 1 (10) Whether exchanges are arranged on a space available basis and
2 whether any guarantees of fulfillment of specific requests for
3 exchanges are made by the exchange program;
- 4 (11) Whether and under what circumstances an owner, in dealing with the
5 exchange company, may lose the use and occupancy of ~~his~~the owner's
6 time share in any properly applied for exchange without ~~his~~ being
7 provided with substitute accommodations by the exchange company;
- 8 (12) The expenses, fees or range of fees for participation by owners in the
9 exchange program, a statement whether any such fees may be altered
10 by the exchange company, and the circumstances under which
11 alterations may be made;
- 12 (13) The name and address of the site of each time share project or other
13 property which is participating in the exchange program;
- 14 (14) The number of units in each project or other property participating in
15 the exchange program which are available for occupancy and which
16 qualify for participation in the exchange program, expressed within the
17 following numerical groupings, 1-5, 6-10, 11-20, 21-50 and 51, and
18 over;
- 19 (15) The number of owners with respect to each time share project or other
20 property which are eligible to participate in the exchange program
21 expressed within the following numerical groupings, 1-100, 101-249,
22 250-499, 500-999, and 1,000 and over, and a statement of the criteria
23 used to determine those owners who are currently eligible to
24 participate in the exchange program;
- 25 (16) The disposition made by the exchange company of time shares
26 deposited with the exchange program by owners eligible to participate
27 in the exchange program and not used by the exchange company in
28 effecting exchanges;
- 29 (17) The following information which, except as provided in subsection (b)
30 below, shall be independently audited by a certified public accountant
31 in accordance with the standards of the Accounting Standards Board of
32 the American Institute of Certified Public Accountants and reported
33 for each year no later than July 1, of the succeeding year:
- 34 a. The number of owners enrolled in the exchange program and
35 such numbers shall disclose the relationship between the
36 exchange company and owners as being either fee paying or
37 gratuitous in nature;
- 38 b. The number of time share projects or other properties eligible to
39 participate in the exchange program categorized by those
40 having a contractual relationship between the developer or the
41 association and the exchange company and those having solely
42 a contractual relationship between the exchange company and
43 owners directly;

- 1 c. The percentage of confirmed exchanges, which shall be the
2 number of exchanges confirmed by the exchange company
3 divided by the number of exchanges properly applied for,
4 together with a complete and accurate statement of the criteria
5 used to determine whether an exchange requested was properly
6 applied for;
- 7 d. The number of time shares or other intervals for which the
8 exchange company has an outstanding obligation to provide an
9 exchange to an owner who relinquished a time share or interval
10 during the year in exchange for a time share or interval in any
11 future year; and
- 12 e. The number of exchanges confirmed by the exchange company
13 during the year; and

14 (18) A statement in boldfaced type to the effect that the percentage
15 described in ~~subparagraph (17)c. of subsection (a)~~sub-subdivision c. of
16 subdivision (17) of this subsection is a summary of the exchange
17 requests entered with the exchange company in the period reported and
18 that the percentage does not indicate a purchaser's/owner's
19 probabilities of being confirmed to any specific choice or range of
20 choices, since availability at individual locations may vary.

21 The purchaser shall certify in writing to the receipt of the information required by
22 this subsection and any other information which the ~~Commissioners~~Commission may
23 by rule require.

24 (b) The information required by subdivisions (a), (2), (3), (13), (14), (15), and
25 (17) shall be accurate as of December 31 of the year preceding the year in which the
26 information is delivered, except for information delivered within the first 180 days of
27 any calendar year which shall be accurate as of December 31 of the year two years
28 preceding the year in which the information is delivered to the purchaser. The remaining
29 information required by subsection (a) shall be accurate as of a date which is no more
30 than 30 days prior to the date on which the information is delivered to the purchaser.

31 (c) In the event an exchange company offers an exchange program directly to the
32 purchaser or owner, the exchange company shall deliver to each purchaser or owner,
33 concurrently with the offering and prior to the execution of any contract between the
34 purchaser or owner and the exchange company the information set forth in subsection
35 (a) above. The requirements of this paragraph shall not apply to any renewal of a
36 contract between an owner and an exchange company.

37 (d) All promotional brochures, pamphlets, advertisements, or other materials
38 disseminated by the exchange company to purchasers in this State which contain the
39 percentage of confirmed exchanges described in (a)(17)c. must include the statement set
40 forth in (a)(18)."

41 **SECTION 37.(I)** G.S. 93A-54 reads as rewritten:

42 "**§ 93A-54. Disciplinary action by Commission.**

1 (a) The Commission ~~shall have~~has power to take disciplinary action. Upon its
2 own motion, or on the verified complaint of any person, the Commission may
3 investigate the actions of any time share salesperson, developer, or project broker of a
4 time share project registered under this Article, or any other person or entity who shall
5 assume to act in such capacity. If the Commission finds probable cause that a time share
6 salesperson, developer, or project broker has violated any of the provisions of this
7 Article, the Commission may hold a hearing on the allegations of misconduct.

8 The Commission ~~shall have~~has the power to suspend or revoke at any time a real
9 estate license issued to a time share salesperson or project broker, or a certificate of
10 registration of a time share project issued to a developer; or to reprimand or censure
11 such salesperson, developer, or project broker; or to fine such developer in the amount
12 of five hundred dollars (\$500.00) for each violation of this Article, if, after a hearing,
13 the Commission adjudges either the salesperson, developer, or project broker to be
14 guilty of:

- 15 (1) Making any willful or negligent misrepresentation or any willful or
16 negligent omission of material fact about any time share or time share
17 project;
- 18 (2) Making any false promises of a character likely to influence, persuade,
19 or induce;
- 20 (3) Pursuing a course of misrepresentation or making of false promises
21 through agents, salesperson, advertising or otherwise;
- 22 (4) Failing, within a reasonable time, to account for all money received
23 from others in a time share transaction, and failing to remit such
24 monies as may be required in G.S. 93A-45 of this Article;
- 25 (5) Acting as a time share salesperson or time share developer in a manner
26 as to endanger the interest of the public;
- 27 (6) Paying a commission, salary, or other valuable consideration to any
28 person for acts or services performed in violation of this Article;
- 29 (7) Any other conduct which constitutes improper, fraudulent, or
30 dishonest dealing;
- 31 (8) Performing or undertaking to perform any legal service as set forth in
32 G.S. 84-2.1, or any other acts not specifically set forth in that section;
- 33 (9) Failing to deposit and maintain in a trust or escrow account in an
34 insured bank or savings and loan association in North Carolina all
35 money received from others in a time share transaction as may be
36 required in G.S. 93A-45 of this Article or failing to place with an
37 independent escrow agent the funds of a time share purchaser when
38 required by G.S. 93A-42(c);
- 39 (10) Failing to deliver to a purchaser a public offering statement containing
40 the information required by G.S. 93A-44 and any other disclosures that
41 the Commission may by regulation require;
- 42 (11) Failing to comply with the provisions of Chapter 75 of the General
43 Statutes in the advertising or promotion of time shares for sale, or

- 1 failing to assure such compliance by persons engaged on behalf of a
2 developer;
- 3 (12) Failing to comply with the provisions of G.S. 93A-48 in furnishing
4 complete and accurate information to purchasers concerning any
5 exchange program which may be offered to such purchaser;
- 6 (13) Making any false or fraudulent representation on an application for
7 registration;
- 8 (14) Violating any rule or regulation promulgated by the Commission;
- 9 (15) Failing to record or cause to be recorded a time share instrument as
10 required by G.S. 93A-42(c), or failing to provide a purchaser the
11 protection against liens required by G.S. 93A-57(a); or
- 12 (16) Failing as a time share project broker to exercise reasonable and
13 adequate supervision of the conduct of sales at ~~his~~a project or location
14 by the brokers and salespersons under ~~his~~the time share project
15 broker's control.

16 (a1) The clear proceeds of fines collected pursuant to subsection (a) of this section
17 shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S.
18 115C-457.2.

19 (b) Following a hearing, the Commission shall also have power to suspend or
20 revoke any certificate of registration issued under the provisions of this Article or to
21 reprimand or censure any developer when the registrant has been convicted or has
22 entered a plea of guilty or no contest upon which final judgment is entered by a court of
23 competent jurisdiction in this State, or any other state, of the criminal offenses of:
24 embezzlement, obtaining money under false pretense, fraud, forgery, conspiracy to
25 defraud, or any other offense involving moral turpitude which would reasonably affect
26 the developer's performance in the time share business.

27 (c) The Commission may appear in its own name in superior court in actions for
28 injunctive relief to prevent any person or entity from violating the provisions of this
29 Article or rules promulgated by the Commission. The superior court shall have the
30 power to grant these injunctions even if criminal prosecution has been or may be
31 instituted as a result of the violations, or regardless of whether the person or entity has
32 been registered by the Commission.

33 (d) Each developer shall maintain or cause to be maintained complete records of
34 every time share transaction including records pertaining to the deposit, maintenance,
35 and withdrawal of money required to be held in a trust or escrow account, or as
36 otherwise required by the Commission, under G.S. 93A-45 of this Article. The
37 Commission may inspect these records periodically without prior notice and may also
38 inspect these records whenever the Commission determines that they are pertinent to an
39 investigation of any specific complaint against a registrant.

40 (e) When a licensee is accused of any act, omission, or misconduct under this
41 Article which would subject the licensee to disciplinary action, the licensee may, with
42 the consent and approval of the Commission, surrender ~~his or its~~the licensee's license
43 and all the rights and privileges pertaining to it for a period of time to be established by

1 the Commission. A licensee who surrenders ~~his or its~~ license shall not be eligible for,
2 or submit any application for, licensure as a real estate broker or salesperson or
3 registration of a time share project during the period of license surrender. For the
4 purposes of this section, the term licensee shall include a time share developer."

5 **SECTION 37.(m)** G.S. 93A-58 reads as rewritten:

6 "**§ 93A-58. Registrar required; criminal penalties; project broker.**

7 (a) Every developer of a registered project shall, by affidavit filed with the
8 Commission, designate a natural person to serve as time share registrar for its registered
9 projects. The registrar shall be responsible for the recordation of time share instruments
10 and the release of liens required by G.S. 93A-42(c) and G.S. 93A-57(a). A developer
11 may, from time to time, change the designated time share registrar by proper filing with
12 the Commission and by otherwise complying with this subsection. No sales or offers to
13 sell shall be made until the registrar is designated for a time share project.

14 The registrar has the duty to ensure that the provisions of this Article are complied
15 with in a time share project for which ~~he~~ the person is registrar. No registrar shall record
16 a time share instrument except as provided by this Article.

17 (b) A time share registrar ~~shall be~~ is guilty of a Class I felony if he ~~or she~~
18 knowingly or recklessly fails to record or cause to be recorded a time share instrument
19 as required by this Article.

20 A person responsible as general partner, corporate officer, joint venturer or sole
21 proprietor of the developer of a time share project ~~shall be~~ is guilty of a Class I felony if
22 ~~he~~ the person intentionally allows the offering for sale or the sale of time share to
23 purchasers without first designating a time share registrar.

24 (c) The developer shall designate for each project and other locations where
25 time shares are sold or offered for sale a project broker. The project broker shall act as
26 supervising broker for all persons licensed as salespersons at the project or other
27 location and shall directly, personally, and actively supervise all persons licensed as
28 brokers or salespersons at the project or other location in a manner to reasonably ensure
29 that the sale of time shares will be conducted in accordance with the provisions of this
30 Chapter.

31 **SECTION 37.1** The catch line for G.S. 14-34.7 reads as rewritten:

32 "**§ 14-34.7. Assault inflicting serious injury on a law enforcement, probation, or**
33 **parole officer or on a person employed at a State or local detention**
34 **facility."**

35 **SECTION 38.** This act is effective when it becomes law.